

Strategy Proposal for a Private Grammar School

Bachelor Thesis

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Abstract

Škantárová, P. Strategy Proposal for a Private Grammar School. Bachelor thesis. Brno: Mendel University, 2017.

This bachelor thesis is focused on creating a strategy for private grammar school. The first part of the thesis consists of a literature review, where strategic management and public sector are described. In following section, results are described for the case of Pražské humanitní gymnasium. These include analysis of the internal and external environment. When analyzing the external environment, PESTE analysis and Porter's five forces analysis are used. Principle of key factors is used for analysis of the internal environment. Afterwards, IFE and EFE Matrix help identify the most important factors, which were then used in SWOT analysis. Using the SWOT analysis, four strategies are created, from which one is chosen as a final strategy for realization and evaluated from the economical point of view.

Keywords

Bachelor thesis, strategy proposal, SWOT analysis, internal and external environment, private grammar school.

Abstrakt

Škantárová, P. Návrh stratégie pre súkromnú strednú školu. Brno: Mendelova univerzita v Brně, 2017.

Táto bakalárska práca sa zameriava na vytvorenie stratégie pre súkromné gymnázium. Prvá časť práci pozostáva z literárneho rešeršu, kde je opísaný strategický manažment a verejný sektor. V nasledujúcej časti sú opísané výsledky pre prípad Pražské humanitní gymnasium. Tie zahŕňajú analýzu vnútorného a vonkajšieho prostredia. Pre analýzu vonkajšieho prostredia bola použitá analýza PESTE a analýza Porterový model 5 síl. Princíp kľúčových faktorov bol použitý na analýzu vnútorného prostredia. Následne IFE a EFE matica pomohli identifikovať najdôležitejšie faktory, ktoré boli potom použité vo SWOT analýze. Pomocou SWOT analýzy boli vytvorené štyri stratégie, z ktorých je jedna vybraná ako výsledná stratégia k realizácii a ohodnotená z ekonomického hľadiska.

Klíčová slova

Bakalárska práca, návrh stratégie, SWOT analýza, vnútorné a vonkajšie prostredie, súkromné gymnázium.

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1 Introduction

According to Nelson Mandela , “Education is the most powerful weapon which you can use to change the world” (Nelson Mandela, 2001-2017). Education is the cornerstone of civilization. It is education, which in a long run cures diseases, solves social problems, creates innovation, strengthens democracy, enhances solidarity and cultivates society. It is education, which can prevent spreading of populism, propaganda, hatred and social and economic disorder. Educational system is therefore one of the most important structures of all, especially in this day and era where the only constant is change itself.

There are educational systems in the world, which do succeed in all of the things mentioned above, and there are those, which have yet not been updated or upgraded in decades or even centuries. Countries with educational systems, whose goal is to enhance creativity, critical thinking and innovation, have all high standard of living, shared prosperity and economical and social order, such as the Scandinavian countries. On the other hand, countries, where structured educational system is not present, are very often societies without economic and social order, with majority of their citizens in poverty and no social ladder to climb. Therefore, people in these countries are thinking more about day to day survival than long term innovation and economical and social enhancement. Examples of such societies can be found in Africa. Then there are countries, which are trying to reach a high standard of living and high level of innovation but suffer from their old fashioned educational systems, such as most of the post communistic countries in Europe, including the Czech Republic.

In the Czech Republic for example, there are different public and private educational institutions that are trying to apply contemporary educational methods from successful, western educational systems. These institutions are often perceived as alternative and foreign to certain extend, however it can be assumed that there will be more and more parents and students leaning towards studying at institutions of this kind rather than institutions which have not significantly changed the method of teaching and the teacher and student development over the years.

These progressive institutions need to have a solid strategy in order to succeed in an environment where they are not perceived as a norm but rather as a strange element. That is why this bachelor thesis is focused on developing an overall strategy for a private educational institution, a grammar school in this case within the Czech educational system.

2 Objectives

The objective of this thesis is to propose a strategy for a private grammar school Pražské humanitní gymnásium. The proposed strategy has a goal to improve the school's position on the market and make it a profitable organization. For creation of the strategy, it is necessary to make an external and an internal analysis. The main factors identified by this analysis are used for SWOT analysis which creates four potential strategies. One strategy is chosen for realization based on communication with the investors of Pražské humanitní gymnásium and further evaluated from the economic point of view. The aim is to create a strategy which can make the school well known in Prague and potentially increase the number of customers.

3 Methodology

The bachelor thesis is divided into two parts. The first part contains a literature review and the second part discusses results with focus on Pražské humanitní gymnasium. The literature review is important for gathering main information for how to use various analyses for proposing a strategy and how they work in the public sector. Books, Internet, and the webpage of the Ministry of Education, Youth and Sports are the main sources used in this part. In the part with results, the main source of information is website www.phgymnazium.cz and internal information obtained from the investor of the school Ondrej Kania.

In the literature review, at the beginning it is explained what a strategy is, strategic management and why it is so important for every company. Then, methods that can be used for internal and external analysis are described. This is followed by a description of EFE and IFE analysis and SWOT analysis used for creation of final strategies.

The next part of the literature review covers public sector. It explains why public sector is important for the society and how it can cooperate with the private sector. This cooperation is described because this bachelor thesis is focused around a private grammar school and it is necessary to understand why the state supports this type of cooperation. At the end of the literature review, financing of the schools is described.

The literature review is followed by the part results. The beginning of this part characterizes Pražské humanitní gymnasium. This includes the school's history and how it works nowadays. In addition, the process of how the investors changed the school and their cooperation with Headmaster is presented.

In the following part, analyses of the environment are made. For the analysis of an external macro environment, PESTE is used because it covers political, legal, economic, social, technological and ecological factors. Microenvironment is analyzed with Porter's 5 forces, which analyze rivalry within the market. Through these analyses, threats and opportunities arising from an external environment are defined and later evaluated as factors in the situational analysis EFE. Weights of the factors are given from 0.00 to 1.00, which represents how much the given factor influences the Pražské humanitní gymnasium (0.00: no influence, 1.00: huge influence). Ratings of the factors are from 1 to 4 where 1 means that the school is not prepared with its current strategy for the factor and 4 that the school is prepared. The ratings are assigned based on cooperation with the investors of the school. Result of EFE Matrix determines which factors are most influential and how Pražské humanitní gymnasium reacts to the external environment.

For the internal environment, analysis of Principle of key factors is chosen. It is more suitable for analysis of the school than Value chain analysis, which fits better when the company is manufacturing goods and not offering only service. This analysis defines weaknesses and strengths of the school. Those factors are evaluated in the situational analysis IFE. Weights to the factors are given from 0.00 to 1.00, where 0.00 means low importance of the factor when comparing to the

competition and 1.00 is a huge importance. Ratings are given from 1 to 4 where 1 means major weakness and 4 major strength. Result of the IFE Matrix shows how the school's internal business is strong and which factors are most important.

Factors which are characterized as the most influential by IFE and EFE Matrix are put into SWOT analysis. SWOT creates four strategies where the factors are combined. Then, one final strategy from those four is chosen by consultation with investors of Pražské humanitní gymnasium. This strategy is also evaluated from the economic point of view. There would be created more expensive and less expensive variation of attending of Scholar Pragensis which is based on communication with the organizer of the fair. Also optimistic and pessimistic variant of revenue for a school year 2018/2019 is made based on communication with the investors and number of enrolled students for the school year 2017/2018.

At the end in the discussion, the final strategy is evaluated. There its advantages and disadvantages are discussed together with how the strategy can be improved.

4 Literature review

4.1 Management

Management is basically a process of working with people employed in a particular company which goal is to achieve organizational objectives in environment that is always changing. Basis of this process is to use human resources in effective and efficient way (Kreitner, 2009, pg. 5).

Management can be also defined as process of coordinating activities of group of workers that is managed by an individual or by a group of people to achieve objectives which are not able to be achieved by only one individual (Donnelly, Gibson, & Ivancevich, 1997, pg. 24).

Management can also be understood in certain way as a scientific discipline which is based on experience and knowledge from the economy but also psychology, statistics and mathematics. It shows methods and different techniques of how to lead a successful organization (Pošvár & Erbes, 2008, pg. 6).

4.2 Strategic Management

The main goal of companies and organizations is of course to be prosperous and to reach their short term and long term goals. All of them are influenced by an internal and external environment. The environment is always changing and that is why managerial principles and methods need to as well evolve and modify, so they are suitable for the current world situation. There is a huge number of companies that offer same or similar products. Consequently, they would not become successful due to only being the most efficient and skilled ones on the market. Especially at this day and age where there are not many fields with clear monopolies, businesses need to offer products which there is a demand for, which people desire and they also need to innovate and bring new ideas.

Due to the high competition on the market, managers use strategic management as a tool that can help them analyze the current and predict the future situation on the market, as well as suggest the most suitable way that a company should develop.

According to Veber (2009, pg. 510), strategic management has its origins in warfare, mainly in the Second World War, as there were large and complicated military operations with untraditionally numerous soldiery. These complex operations required strategic thinking and later, the term of strategic management began to be used in economics as well.

Strategic management is basically a concept of different actions, decisions and plans conducted and realized by managers which influence short term and long term performance of the company. It includes strategy formulation, implementation, evaluation and strategy controlling. Managers evaluate and monitor the external and internal environment in order to create the most suitable strategy for

the company by which they can gain competitive advantage against rivals (Ritson, 2008, pg. 21).

Kreitner (2009, pg. 181) has a slightly different definition than Ritson, but certain similarities can be found. He claims that strategic management is an ongoing process of ensuring a competitively superior fit between an organization and its changing environment. According to him, strategic management includes control of budgets, long-range planning, and strategic planning.

In addition, Ritson (2008, pg. 18) agrees with Kreitner and Veber that strategic management should take into account the environment that influences a company. On the other hand, he mentions that it is an organized development of resources in functional areas such as the manufacturing, marketing, technological, and financing areas, through which a company can reach its desired objectives.

4.2.1 Strategy

When a company defines its goals it is necessary to come up with a strategy of how to achieve them. This strategy consists of approaches and competitive moves that managers of the organization or company create to attract and satisfy customers, to help grow their business (Gamble & Thompson, 2011, pg. 2). According to Kreitner (2009, pg. 181), strategy is a perception of how to achieve a company's goals. This perception is externally oriented and integrated. Thompson and Martin (2005, pg. 8) also agree that strategy is about perception but they add that it cannot fully satisfy all involved parties. Managers need to take into account their resources, capabilities, and skills as well as desires of the organization's important stakeholders. It is therefore necessary for a strategy to fit in resource boundaries set by the company.

Besides the mentioned authors, Mintzberg (1998) has also discussed perspectives on strategy. From his work, he proposed 5P describing strategy, which is the following:

- **Plan** – Strategy looks into the future, and tries to propose objectives and how to achieve them.
- **Ploy/tactic** – Strategy is not only about long-term but also about immediate future. It can be used by competitors to gain advantage, e.g. a manager can gain a temporal advantage by copying the tactic of a competitor and catch competitor by surprise.
- **Position** – It takes into account the position on the market in the present time, organization's competitive position, and studies the current situation, so the future development is based on clear knowledge.
- **Pattern** – Previous strategy needs to be analyzed to gain an understanding for what happened and why. This understanding and new foundation can then be used for creation of a new strategy
- **Perspective/vision** – Strategy is announced to all employees and in accordance with a company's corporate culture (Thompson & Martin, 2005, pg. 16, 17)

In addition to Mintzberg's 5P, strategy can be classified into the following three interrelated, independent but distinct levels, as presented by Ritson (2008, pg. 19, 20) and Thompson (2005, pg. 20):

- **Corporate strategy** defines which kind of business a company is in and how future activities should be managed and structured.
- **Competitive/business strategy** describes how an organization will achieve its objectives via creating a competitive advantage over its rivals.
- **Functional strategy** is created for every functional area of a company as a marketing and production to support implementation of the competitive strategy.

4.2.2 Strategic Thinking

On the current market, competition is huge, which means that if a company wants to be successful, it needs to think strategically. Creating a strategy is not sufficient enough. All organization's employee should know the new strategy, try to follow it, and develop company's competitive advantage. Employees need to think innovatively. There are four perspectives for strategic thinking: synergies, Porter's generic strategies, business ecosystem, and e-business strategies (Kreitner, 2009, pg. 181, 182).

According to Kreitner (2009, pg. 182), **synergy** means that two or more variables interface together and create an effect bigger than the sum off their effects if they were acting independently. It can also be decribed as $1+1=3$. Therefore when taking strategic decisions, managers should try to use as many management and technological synergies as possible. These synergies can include for example mergers, acquisitions, new technology or production of to products in one same factory.

Porter in 1980 invented the **model of generic competitive strategies**, which can be seen in Figure 1 and which is described by many other authors such as Thompson or Gamble. Based on the competitive advantage and scope, the model presents the following four Generic competitive strategies:

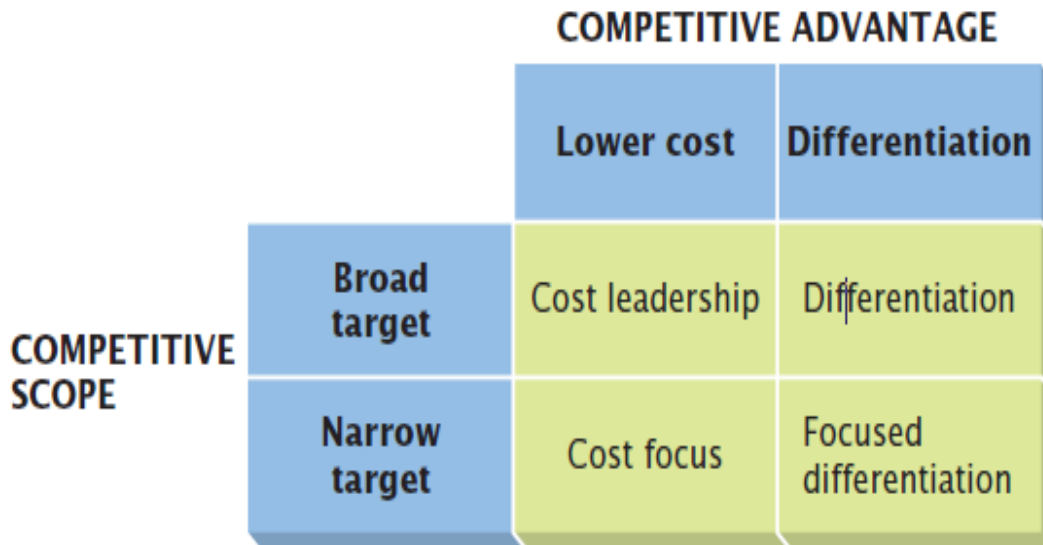


Figure 1 Porter's generic competitive strategies
Source: Kreitner, 2009

- **Cost leadership** – Managers try to decrease costs of the production or services in order to be able to offer products for a lower price than their competition to a broad spectrum of buyers. Gamble and Thompson (2011, pg. 4) use as examples for a company with the cost leadership strategy Wal-Mart and Southwest Airlines. Both of these companies decreased their expenses to gain a strong position on the market. This approach can result in getting rid of the rivals who are not able to offer a competitively low price, which can lead them to bankruptcy.
- **Differentiation** – This type of strategy is focused on differentiating company's products from the competition and trying to interest a broad spectrum of customers. Product or service has to offer something special or unique what will be interesting for most of the customers in that given industry. Brand loyal customers are willing to pay more for the products, but the company has to keep its brand image for their products to be still on demand (Kreitner, 2009, pg. 185).
- **Cost focus** – In this strategy, companies do not focus on all customers in the industry but on a narrow market. They want to gain a competitive advantage by fulfilling needs of a small segment of buyers in industry and lower their cost in order to offer cheaper products than their rivals.
- **Focused differentiation** – For this strategy, managers try to develop a superior service or product, which can deliver value to customer that the competition is unable to offer and is meant only for a limited audience (Gamble & Thompson, 2011, pg. 98).

The last two perspectives on strategic thinking are **e-business strategies** and **business ecosystem** described by Kreitner (2009, pg. 185, 187). E-business is

based on using Internet to gain the biggest value from it as possible. Internet can be used for various purposes from sales, advertisement to human resource management, resulting into all these activities being more efficient and speedy. The business ecosystem perspective sees business as an ecosystem created from organizations and their stakeholders. This perspective is focused on organizations that need to cooperate and not only compete in order to achieve their collective and individual goals.

4.2.3 Objectives, Mission and Vision of a Company

Every organization needs to define its vision, mission and objectives. According to Thompson and Martin (2005, pg. 10), mission is the main purpose of a company, explaining why the company exists. Hunger (2011, pg. 23) agrees with Thompson but he also adds that mission tells what is company offering to the society. A mission statement contains a unique purpose of the company that differs the company from its competitors. It does not describe only what currently represents the company but also a vision for what the company wants to achieve.

Vision of a company represents where the company is heading and its desired future. Vision tells the stakeholders about the direction of the company and what the entrepreneurs want the company to be like. Vision statement must be specific and should not give generic information that can be applied to any company. Vision is similar to mission but it says what is the future like and mission is more about the present situation of a company (Gamble & Thompson, 2011, pg. 17, 19).

Objectives describe the end point of planning, all resources used, and management activities directed. They represent the success criteria of an organization (Ritson, 2008, pg. 19). Hunger (2011, pg. 24) agrees with Ritson that objectives are outcomes of a planned activity but he adds that they also present what and when should be achieved. These plans are often represented in form of quantified action if possible. He states that there is a difference between objectives and goals. Goals state what a company wants to achieve but they are not quantifiable and there is no time frame given for when they should be accomplished.

Gamble and Thompson (2011, pg. 23) divide objectives to short-term and long-term. In their description, short-term objectives are focused on improvements to be delivered in the current time and long-term targets tell about how the current actions would affect the company's future. If an organization should choose which objectives are more important, then the long-term objectives have precedence.

4.3 Strategic Analysis

Before strategy creation can take a place, one of the most important steps is to evaluate a company's environment in order to predict how the company might be influenced in the future. Every company is connected with its environment. According to Henry (2008, pg. 39), changes in the environment can lead to new trends and also influence competition or demand.

Environment can be classified into an external and internal environment what can be seen in Figure 2. The external environment is shown by the outside and the middle circle and the internal environment is inner one represented by the organization.

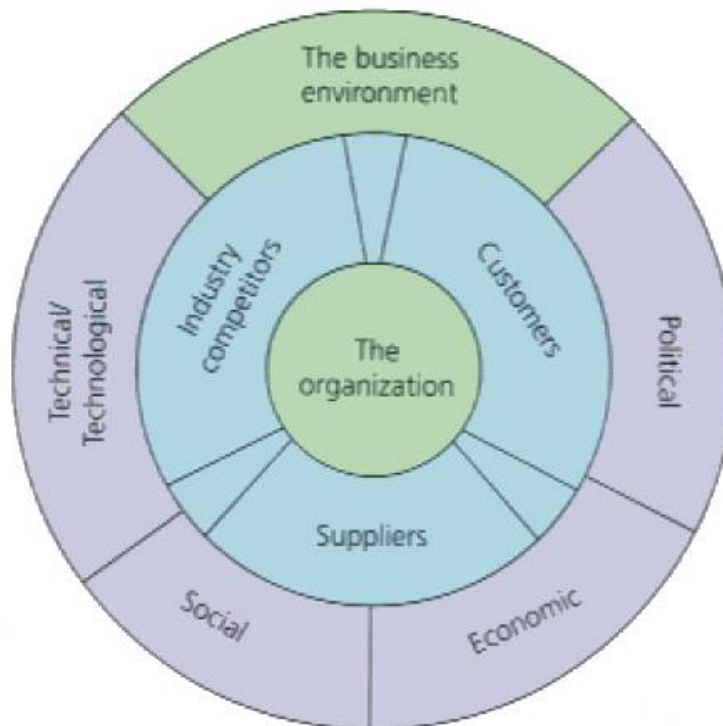


Figure 2 Company's environment
Source: Thompson & Martin, 2005

At Figure 2 is visible that an external environment is divided into macro environment and micro environment. These are further described in the following sections.

4.3.1 Macro Environment

Each company is influenced by its macro environment. Macro environment includes factors such as societal values, population demographics, government regulations, and technology as can be seen in Figure 2 in the outer circle. Factors in a company's macro environment include only factors relevant for the company. They are created outside of a company. By relevant factors is meant that they are important enough for the company to include them in the management's decisions and strategies (Gamble & Thompson, 2011, pg. 40). According to Sedláčková (2000, pg.10), a company cannot influence these factors but it can actively react to them through its behaviour and change direction of its development.

PEST analysis is used for analyzing the macro environment. It includes political, economic, social, and technological factors. PEST can be extended to PESTE or

PESTEL where one or two factors are added such as legal and environmental. However, those two factors can also be included in political and social factors in PEST (Henry, 2008, pg. 51).

- **Political and legal factors** – depend on government policy. Government defines how hard it is to run a business in a given state. These factors include also government stability and government regulation. Legislations have impact for example on wages, taxation of the employer.
- **Economic factors** – are defined by a state, and the development of national economy. In economic factors belong disposable income, interest rates, gross domestic product, inflation, and unemployment rate. According to Henry (2008, pg. 54), economic indicators are simplifications of complex economic problems and they cannot give us a whole picture. Therefore, it is quite difficult to monitor the macro environment.
- **Social factors** – include cultural, demographical, educational, religious, and ethical factors. Important factors are lifestyle of citizens or social trends. These factors are also developing and depend on needs and wants of inhabitants. Knowing the trends can bring a huge competitive advantage in obtaining customers.
- **Technological factors** – are necessary to be monitored by the company's manager. Technology is innovating very fast and can bring new emerging industries as well as change ways how the already existing industry is competing (Sedláčková, 2000, pg. 10, 11).
- **Environmental factors** – show effect of people's lifestyle on environment. These factors include laws for sustainability of our environment, for protection of water, nature and air (Pošvár & Erbes, 2008, pg. 28).

4.3.2 Micro Environment

Micro environment can be also called as a branch or competitive environment. In Figure 2, the competitive environment is displayed in the middle circle because it has bigger impact on a company than a macro environment. Macro environment influences conditions in the competitive environment. On the other hand, Henry (2008, pg. 67) claims that micro environment of a company is more influenced by its own development rather than by the macro environment.

Thompson and Martin (2005, pg. 172) describe **Model of industry competitive factors** that was made by Porter (1980). This model is useful for analysis of the competitive environment. It is based on five forces by which a success and profitability in the given industry are determined, as can be seen in Figure 3.

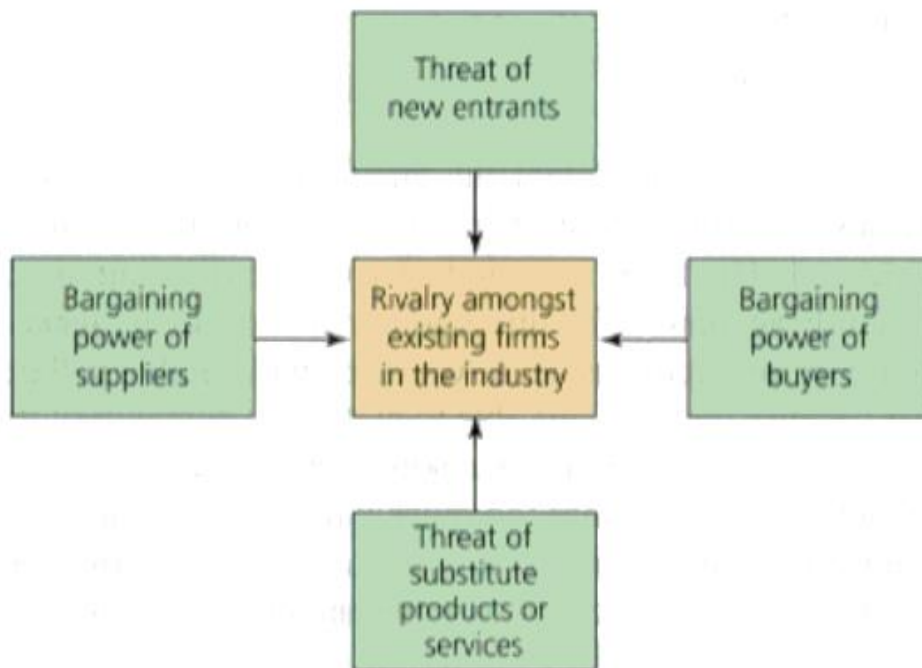


Figure 3 Model of industry competitive factors
Source: Thompson & Martin, 2005

In the middle of the model are placed the rivals in a given industry. However, profitability is not determined only by the already existing competitors and their strategies. Managers need to also monitor and count with substitute products, bargaining power of a buyer and supplier, and with threat of new entrants.

- **Threat of new entrants** – is meant as a possibility that new companies will enter the market and profit will have to be divided among more companies. This threat depends on barriers to enter. Most important barriers are economics of scale, capital requirements, product differentiation and access to distribution channels.
- **Bargaining power of buyers** – is affecting companies by the power of customers to force them to decrease the price or ask for more services and higher quality of offered products. Their power can be increased in occasions where there is a high number of buyers with big buying volumes, if industry is offering standard and undifferentiated products, cost of switching a supplier is low, and the customer has all information about the given market.
- **Threat of substitute product or service** – is not generated from new entrants but from companies that already exist and offer similar substitute products. Customer can decide to buy these products if price in the original industry increases.
- **Bargaining power of suppliers** – can result in increasing price of service or product while lowering its quality. Circumstances where power of supplier increases are opposite of those when power of buyer increases. That occurs

when there is low number of substitutes, given industry does not generate the main profit of a company but some another industry, product is very important for customer, product differs from the ones offered by the rivals, and there is a high cost involved for the buyer when switching a supplier.

- **Strength of competition among rivals in an industry** – has consequences on the competitive state in the industry and profitability. If the competition is high, it will result in decreasing profit of an industry. This rivalry can be visible on prices that will be increased because companies need to invest more in advertisements or innovation of products. Rivalry is affected when industry growth is slow, fixed costs are high, products are not differing too much, exit barriers are also high, and there is a high number of competitors in the industry (Henry, 2008, pg. 71-76).

Henry (2008, pg.81-83) mentions few criticisms of Model of industry competition factors that exist. Some people claim that model counts with relatively stable market and is not able to take into account rapidly amending environment that we have today. On the other hand, Porter (1980) argues that the model is time invariant and it reveals if changes are significant in a given industry. Furthermore, people argue that five forces in model are not enough and Porter should add for example force of government.

4.3.3 Internal Environment

Internal environment is displayed as “The organization” in the inner circle in Figure 2. External analyses are used for determining threats and opportunities from the competitive and macro environment which a company has to react to. However, a company also needs to know how to use its resources, structure, capabilities, and how to follow its goals. In addition, internal environment is able to be influenced and changed by a company (Sedláčková, 2000, pg. 60).

Sedláčková (2000, pg. 61) mentions **resource analysis** as a tool for analysing internal resources and capabilities, and for estimating future development of a company. For a successful analysis, it is necessary to take into account all activities of an organization from distribution, manufacturing to financing and marketing.

Resource analysis should be done in the following steps:

1. **Resources** – At first, it is necessary to identify resources of a company and how they can help in gaining a competitive advantage. Resources are divided into four types: tangible, intangible, human resources, and financial. Among the tangible resources are physical assets, which include buildings, vehicles or lands. Among the intangible resources belongs reputation of a company as well as technological and intellectual resources. By technological and intellectual is meant licenses, patents or know-how. When identifying the human resources, it is necessary to know the number and structure, qualification, and motivation of employees. In the financial resources are included funds, own capital, and loans (Sedláčková, 2000, pg. 63-64).

2. **Capabilities** – A company needs to identify its competencies among which belong skills and experience of using resources. There are certain competencies at a lower level that every company has to have in order to be able to compete on the market. In addition, Henry (2008, pg. 129-133) uses two terms to define competencies through which a company can gain a sustainable competitive advantage. These competencies are core competencies and distinctive capabilities. He agrees with Prahalad and Hamel (1990) that the core competencies should have attributes that will turn into a competitive advantage. These attributes include bringing meaningful benefit from the end product to the buyer and being hard to imitate by the company's rivals. On the other hand, Kay (1993) states that the distinctive capabilities are more significant in gaining a competitive advantage than the core competences. Henry argues however that core competencies and distinctive capabilities do not guarantee success but they have to be also sustainable.
3. **Competitive advantage** – At third, estimation of profitability from given resources and capabilities needs to be done in order to create a sustainable competitive advantage.
4. **Strategy** – Lastly, a strategy that uses the capabilities and resources in the most profitable way is created.

Resource analysis is criticized by several authors for not describing how resources can change over time. Henry also mentions that some authors also argue that it does not go deep enough into details and that is why the strategy is hard to implement.

Also tool used for analyzing the internal environment is **Value chain analysis**. Value chain analysis is based on an assumption that every firm has a number of activities such as marketing, designing or delivering which together create a chain (Gamble & Thompson, 2011, pg. 82). According to Hill and Jones (2008, pg. 84), this chain of activities transforms inputs into outputs and by every activity, value is added to the product. This transformation process is combined from primary and support activities that can be seen in Figure 4.

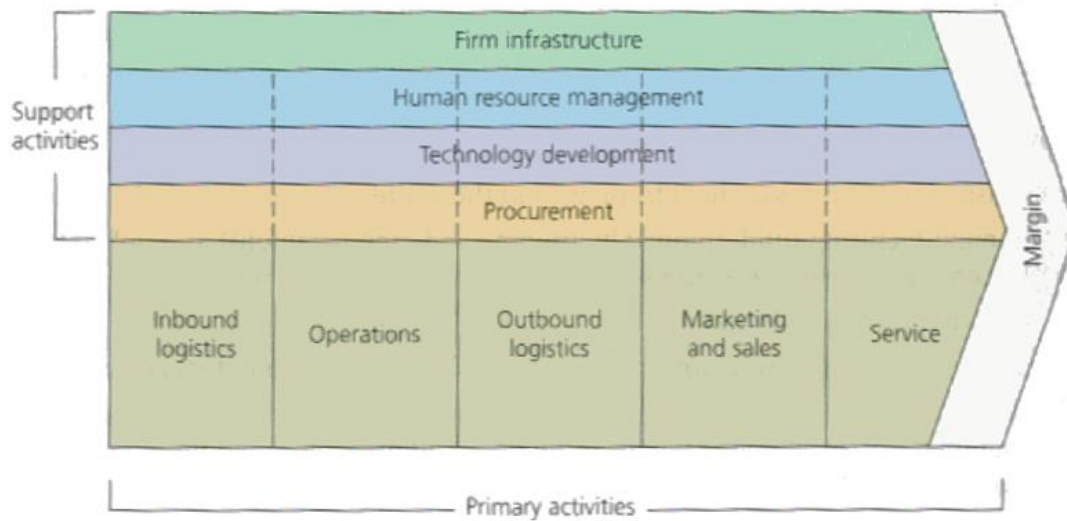


Figure 4 Value chain analysis
Source: Thompson & Martin, 2005

Primary activities are dealing with creating, marketing, and the delivery of the product, and are directly used for its creation. They are divided into five categories:

- **Inbound logistics** – These activities are connected with storing, internal transportation, and receiving inputs for products and services. Among them belong for example inventory control, internal distribution system, and material handling.
- **Operations** – Operational activities are connected with inputs transformation of inputs into final services or products. They include for example packaging, printing, or testing.
- **Outbound logistics** – These activities deal with distribution and storing of final products. They include scheduling, warehousing, or delivery.
- **Marketing and sale** – These are activities that should encourage customer to buy the product such as advertising, pricing, sale force, and promotion.
- **Service** – Service activities are for maintenance or for increasing the value of products, such as warranty, training, installation, and repair (Thompson & Martin, 2005, pg. 255).

Support activities are activities that should help with effectiveness and efficiency of the primary activities. They are divided into four categories:

- **Firm infrastructure** – Whole value chain should be supported by the firm infrastructure activities. They include financing, planning, general management, and accounting.
- **Human resource management** – In these activities belong training, recruitment, selection, and development of employees.

- **Technology development** – In this category belong activities that are connected with the firm's know-how, way how they use it and usage of technology that influences development of resources.
- **Procurement** – These activities cover the process of obtaining resource inputs in order to support primary activities. Among inputs necessary for production belong buildings, raw materials, or office supplies.

Activities are not independent from each other but they form an interdependent system. Between activities are so called linkages which mean that when a certain value activity is performed, a different activity also changes. Porter says that linkages often have consequence in trade-offs. For example, if a company focuses on differentiation, its costs increase and in order to decrease the costs, the quality of the product has to be lower (Henry, 2008, pg. 107, 109). Furthermore, Gamble and Thompson (2011, pg. 85) claim that costs-competitiveness is not only dependent on a company's own value chain of company but also on a supplier's chain. In addition, according to Hill and Jones (2008, pg. 97), new innovated product can bring huge competitive advantage, but the failure rate is very high. Only around 10 to 20 percent is successful.

Factors arising from internal environment can be also classified and analyze using **principle of key factors**. This method includes between key factors: human resources, research and development (operations), financial situation, marketing, organizational level and image of organization (Pošvár & Erbes, 2008, pg. 38).

4.4 Situation Analysis

By an external and an internal analysis, many factors are gained. From these factors, it is necessary to identify the most important ones, which will be used in a situation analysis of an external environment called EFE and in a situation analysis of an internal environment called IFE.

4.4.1 EFE Matrix

EFE matrix stands for the External Factor Evaluation Matrix and is used for a situation analysis of an external environment. The main aim is to discover what is happening in the surrounding of a firm and tries to determine what could be changed based on those discoveries. EFE should help to determine how an external environment will influence a company in order to prepare for it. EFE can also try to identify opportunities and threats that could be gained from an external environment.

The identified opportunities are based on the power of potential buyers, number of buyers, and willingness of buyers to shop. Threats have bad influence on a company because they can decrease the demand or increase costs. Both threats and opportunities are changing over time (Pošvár & Erbes, 2008, pg. 36). EFE is done in following steps:

1. The first step is to create a table for threats and opportunities which will be used to separate them.
2. Next, the most important opportunities and threats for a company need to be chosen. Number of threats and opportunities chosen should be the same.
3. For each factor, a weight from 0.00 to 1.00 is added, which depends on how important this factor is in a given field or industry. Sum of all weights should be equal to 1.00.
4. A rating from 1 to 4 is assigned to each factor to show how much the factor influences a company, where 1 stands for low, 2 is middle, 3 equals to above average and 4 stands for the highest influence. Afterwards, the rating and weight of each factor are multiplied to create a weighted score.
5. The final step is to sum up all weighted scores in order to get the total weighted score.

The total weighed score describes the sensitivity of a company to changes in an external environment. The highest sensitivity is represented by 4, the middle one 2.5 and low sensitivity is shown by 1. If sensitivity is too high, it is recommended to a company to rely on the old trends rather than the new ones (Fotr, Vacík, Souček, Špaček, & Hájek, 2012, pg. 42).

4.4.2 IFE Matrix

For the Internal Factors Evaluation Matrix (IFE matrix), the main aim is to identify possible weaknesses and strengths of a company. It is used for an analysis of the internal environment. Strengths of a company display areas that the company is better at than its competitors. Strengths are based on good characters of the company important to customer, how easily they can be imitated by rivals, and whether they are part of the long term development of a company. Weaknesses include factors, in which the company is worse than its rivals (Pošvár & Erbes, 2008, pg. 40).

IFE is done in the following steps that are similar to the EFE:

1. First, a table is created where strengths and weaknesses can be separated. The most important factors are chosen. The number of strengths and weaknesses in the matrix should be the same.
2. Afterwards, a weight between 0.00 and 1.00 is assigned to each factor based on how important the factor is for the competitiveness of a company. When summed up, weights should be equal to 1.00.
3. A rating is added to each factor based on its influence on a company's strategy. It is between 1 and 4 where 4 means an important strength, 3 is a less important strength, 2 means a less important weakness, and 1 represents an important weakness.
4. In next step, the weight and rating of each factor are multiplied and the result is a weighted score for each factor.

5. In the end, weighted scores are summed up giving a total weighted score.

Total weighted score is number from 4 to 1, where 4 means that a company has a strong internal position and a big chance that its strategy will work properly. If the result is 2.5, then a company has averagely strong internal position, and if 1, a company has weak internal position (Fotr, Vacík, Souček, Špaček, & Hájek, 2012, pg. 44).

4.5 SWOT Analysis

SWOT analysis refers to Strengths and Weaknesses in an internal environment and Opportunities and Threats of an external environment. According to Gamble and Thompson (2011, pg.79), SWOT analysis shows the overall situation of an organization. Hill and Jones (2008, pg. 9) add that SWOT analysis compares all factors and creates strategies that fit best to the company's environment, resources, and capabilities. In addition, Henry (2008, pg.119) mentions that SWOT analysis can also help to amend weaknesses into strengths and possible threats into opportunities.

Based on the SWOT analysis, four possible groups of strategies can be formulated:

1. **SO** – It is a MAXI – MAXI strategy, in which strengths of a company are applied to gain benefits from opportunities. It is necessary not to forget about and respect the power of threats and weaknesses in this strategy.
2. **ST** – It is a MAXI – MINI strategy, where a company is trying to concentrate on strengths and use them to minimize threats generated from an external environment.
3. **WO** – It is a MINI – MAXI strategy, where a company is trying to improve its weaknesses and use possible opportunities coming from an external environment.
4. **WT** – It is a MINI – MINI strategy, where an organization is decreasing its weaknesses and also trying to avoid its threats. An organization is in defensive or unsecured position and is willing to use all defensive strategies including liquidation (Fotr, Vacík, Souček, Špaček, & Hájek, 2012, pg. 54, 55).

According to Henry (2008, pg. 121), SWOT analysis is a great tool that is not hard to use. However, it also has some limitations. For example, the analysis is not focused enough on the whole environment but is limited by a company's industry boundaries. As another limitation, Henry mentions that some factors cannot be put into only one correct category but can be both strengths and opportunities at once.

4.6 Public Sector

According to Lane (2000, pg. 12), public sector has huge influence on everyone in the society and it is hard to tell if it is performing an effective and efficient work.

Because of the failures of the market the existence of public sector is necessary to mitigate and eliminate these failures. Failure of the market can occur due to an ineffective allocation of resources or insufficient competition which leads to monopoly on the market. Some economical subjects can gain higher position than other subjects because of the monopoly. That is why government sometimes uses social benefits and regulates prices in order to encourage other subjects to continue in doing business (Peková, Pilný, & Jetmar, 2012, pg. 14).

According to Peková, Pilný and Jetmar (2012, pg. 25), there are three main functions of the public sector, which are: economic, political, and social. The **economic function** is the creation of public goods. Public goods are goods or services which are consumed collectively and are useful to the whole society, for example highways or national security. The **social function** offers services for socially weaker groups of citizens. Lastly, the **political function** is used in the public sector during the process of public election and governing.

4.6.1 Cooperation and Partnership of Public and Private Sector

There is a difference between cooperation and partnership of the public and private sector. Partnership is a type of cooperation as cooperation is a wider term. Partnership is a long-term strategic type of cooperation between partners who defined their common interests. Cooperation needs to be voluntary and based on pragmatic calculation and needs to be advantageous for both the public and also the private side.

There could be many reasons why the public sector agrees on this cooperation. The cooperation enables them to offer higher number of public goods to the citizens because it is possible to use more financial resources gained from the private sector. Public goods are also more effectively offered because private companies know how to use more developed technologies, know-how, and qualified employees. The public sector can also transfer risk onto the private subject but that also depends on their agreement and contract (Peková, Pilný, & Jetmar, 2012, pg. 57-61).

On the other hand, the private sector can also gain a lot of advantages from this type of cooperation. It enables the private subject to enter a new market that was available only for the public sector before. The public sector offers a stable environment for business, few or no competitors, higher profitability rate due to the lack of competition, and the risk is divided between both sides.

Both sides can gain from this cooperation but if they make a mistake or wrong implementation, then the project can cause more harm to both sides than gain (Peková, Pilný, & Jetmar, 2012, pg. 62).

4.6.2 Financing of Schools

Private and public high schools and grammar schools belong to regional education. Their main sources of income are subsidies. Subsidies are given by the Ministry of Education, Youth and Sports, which controls if financial resources were used effec-

tively, to the Department of Education of Regional Office, which controls education in a given region, and then finally to schools. If a school has an excess at the end of the year, it can keep the money and use it in the next year without getting lower subsidies.

Size of financial resources for public schools depends on the number of students and costs of the provided education. Private schools can also get subsidies from the Department of Education of Regional Office (OŠ KÚ) if they offer education at the same level or better than public schools. Their size of subsidies is 50-100 percent which depends on the quality of education and agreement with OŠ KÚ. Besides the subsidies, private schools have an additional type of income which is in form of school fees their students have to pay (Peková, Pilný, & Jetmar, 2012, pg. 256, 260).

5 Results

5.1 Characterization of Pražské humanitní gymnázium

Relatively shortly after the Velvet Revolution, it was allowed for private schools to be founded. In 1993 after the Czech Republic became independent, a private school called Eko Gymnasium in Prague was founded. The school was given from the government an official capacity of 200 students for its eight-year program and 125 students for its four-year program, which was 325 students overall.

In the 1990s, the school was pretty successful and reached enrollment of 250 students combined. Ecological orientation of the school was very popular at that time, so the interest from students was significant. However in 2000s, the interest started falling, which in the school year of 2015/2016 escalated into a situation, where the school had an enrollment of 72 full time students with 23 students graduating that year, and a loan from the bank. The founders of the school knew that they needed an investor to the school continue its service.

In January 2016, founders of the Czech educational consulting company J&K met with the founders of the school and explained their vision to them. At the time, the J&K Consulting company had been specializing for 3 years at arranging study-abroad stays at prestigious boarding high schools in the USA and Canada for Czech, Slovak and Hungarian students. They were also organizers of boarding school educational fairs around Central Europe. From this, they gained knowledge of new ways of teaching, how to structure the curriculum, or how teachers can work with students and motivate them. Since these boarding schools are very expensive with tuition of at least 25 000 USD a year, their vision with the Eko Gymnazium was to apply the new methods from U.S. and Canadian boarding schools and offer them for more affordable costs. Then students, who do not come from wealthy families and cannot study abroad, could afford to attend such a school in Prague.

Founders of Eko Gymnazium agreed that new investors from J&K would receive 75% share at the school in exchange for investing in reconstruction of classrooms, halls, purchasing modern equipment, securing school budget by loaning money to the school and also by running a marketing campaign, which would bring new students to the school. This campaign was needed because even if the school replaced the graduating students with new ones, 72 full time students would not be enough for the school to survive. Investors agreed with this offer under two conditions. Their first condition was to rename the school to Pražské humanitní gymnázium and to change the focus from ecological to humanities. The second condition was to change their way of teaching which could be the best characterized as normal frontal instruction based learning to project based learning. While in the frontal instruction based teaching, the teachers stand in front of a blackboard and present students with all materials from textbook, in the project based learning, students are organized into groups within the classroom do some work independently. All groups are given themes, which they have to research, find and verify correct information, structure the information into a visual presentation and

then present it to the class while all members of the group have their own unique role. The founders of Eko Gymnazium and J&K agreed and the changes began to take place in February 2016 – a new website was launched, marketing campaign started, classrooms and cabinets have been reconstructed. The change showed potential when the enrollment for Pražské humanitní gymnázium in school year 2016/2017 was approximately 92 full-time students and about 18 long distance students, which was overall approximately 110 students. This was a significant increase in comparison with the 2015/2016 school year when school had about 81 students overall.

In the 2016/2017 school year the school has been stabilized financially and owners are currently working with teachers on perfecting the project based learning at the school, which will very like take couple of years to accomplish, since all of the major changes in education require time and a step by step approach.

Since the beginning of the school year, media have had a lot of interest in the school not only because of the changes in the education style, but also because two major owners are about 24 years old. This has given the school a lot of exposure leading to big interest from parents all over Prague, which is also why Pražské humanitní gymnázium is looking to secure a bigger building for the 2017/2018 school year..

5.2 Analysis of External Environment

5.2.1 Analysis of Macro Environment using PESTE

Political and legal factors

Political and legal factors have a huge impact on grammar school even when they are a private institution. Ministry of Education has just approved a mandatory graduation exam in mathematics. It should take effect from school year 2020/2021 on grammar schools and lycée. This new rule can be a big threat because even 3932 from the 16975 students who freely chose to take a graduation exam in mathematics last year did not pass (Kubas, 2016). Consequently, student' failure would have a negative influence on the final evaluation of the school or potential students would rather chose to study at vocational schools because the Parliament has not agreed yet when and if the graduation exam in mathematics should be also mandatory for vocational schools (T1).

According to law n. 563/2004 Sb., people employed as teachers have to have an education in pedagogy and as a headmaster of a grammar school have to also have a previous experience as a teacher of at least 5 years. This can become a limitation during the search for new teachers if the owners of a grammar school would like to employ someone with a many years experience of working in a given subject but who does not have an education in pedagogy (T2).

Framework Education Program allows schools to educate students in various ways. Schools can decide to use a project-based or thematic education. It also defines which classes need to be taken by students in a given grade but allows the

headmaster to decide how many hours per week that subject will be taught (Balada, Baladová, et al., 2007, pg. 82). This is a good opportunity for schools because it enables them to bring new methods on how to teach material that differs from other grammar schools (O1).

Economic factors

Economic factors have also an influence on schools as much as on companies. They indicate how much the national economy is developing. Among these factors belong for example Gross Domestic Product, unemployment rate, and average wages.

Unemployment rate is an important factor for a private school. If it is too high, people would spend money only on products and services that are most necessary for life. Unemployment rate was 3.35% in Prague in December 2016 and has even decreased since last year by 0.85% (CZSO, Nezaměstnanost v Praze a krajích k 31.12.2016, 2017).

Tab. 1 Unemployment rate of for ages group 15 to 64

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Unemployment rate (%)	4.7	7.5	7.0	6.6	7.2	6.8	5.9	4.5	3.6

Source: CNB, General Unemployment Rate, 2003-2017

In Table 1, it is visible that since year 2009, the unemployment rate has been mostly decreasing. Lower unemployment rate is better for schools because consequently parents will have more money and could choose to pay for private schools, which can offer better education to their children rather than public ones (O2).

Next economic factor that can have a huge influence on a school is average wage. It is 27 220 CZK in Czech Republic but 34 683 CZK in Prague because it is the capital city and there are grouped biggest companies from the Czech Republic (CZSO, Nejnovější údaje, 2017).

Tab. 2 Nominal wage in CZK

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
Nominal wage in CZK	20957	22592	23344	23864	24455	25067	25035	25768	26467

Source: CNB, Average gross monthly wage, 2003-2017

Table 2 shows that average wage has been growing. This has basically a positive effect on the primary school because parents do not have to spend money only on necessary things but will be able to afford pay more for school fees, which can also be increasing simultaneously with wages (O3).

Among disadvantages can be placed inflation rate that is increasing every year which, means that prices are growing. If the prices increase rapidly, parents will

have lower amount of money left for fees for a school and they could rather decide to put children into public schools.

Tab. 3 Inflation rate

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Inflation rate (%)	6.3	1.0	1.5	1.9	3.3	1.4	0.4	0.3	0.7

Source: CZSO, Inflace - druhy, definice, tabulky, 2017

From Table 3, it is visible that inflation rate in year 2016 was 0.7% which is a bigger increase than in year 2015 and 2014 when it was 0.3% and 0.4%. However, it is still lower rate than it was before year 2014 when inflation rate was 1.4%. This result is better for private grammar schools because inflation rate is not too big comparing to other years (04).

Social factors

Among social factors, it is important to include also a factor which will show a trend of whether grammar schools are more popular than secondary technical education.

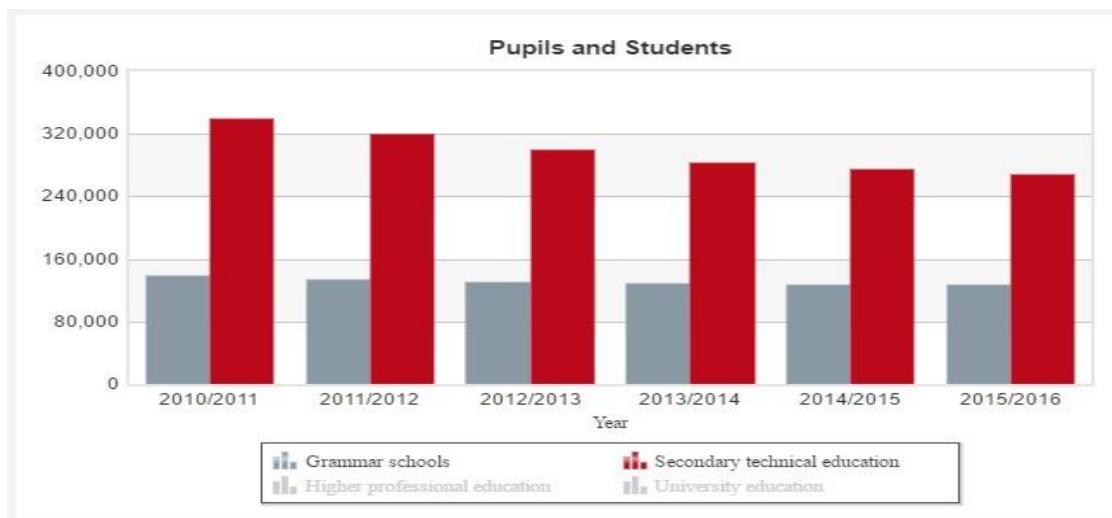


Figure 6 Comparison of number of students in grammar schools and secondary technical schools
Source: CZSO, Education, 2016

Secondary technical education is more popular as is shown on Figure 6 above (T3). However, its popularity in the Czech Republic is every year decreasing while the number of students studying at grammar schools is almost the same.

Among another important social factor belongs movement of citizens of Prague. Prague is the capital city and its citizens have the highest quality of life among people in the Czech Republic. That is why the number of citizens is increasing every year.

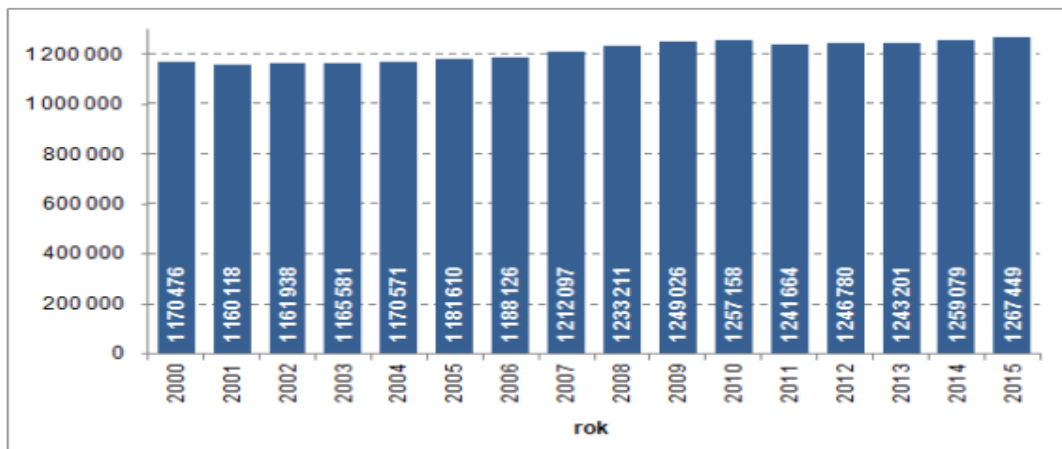


Figure 7 Number of citizens in Prague

Source: CZSO, Pohyb obyvatelstva v hl. m. Praze v roce 2015, 2016

From the graph in Figure 7, it is visible that Prague is a popular city for life, which can be seen as an opportunity because the number of potential clients and employees is growing each year (05). The growth since year 2015 has been 8 370 people, which is the biggest growth in the Czech Republic compared to other towns. The bigger part of growth of number of citizens has been as a result of migration.

Use of Internet and social media is also increasing as it is new trend. It is used mainly by people who are 16-24 years old as is shown in Figure 8 below. This can be a huge advantage of modern life that allows companies and schools to use social media for marketing and a way to communicate with its stakeholders (06).

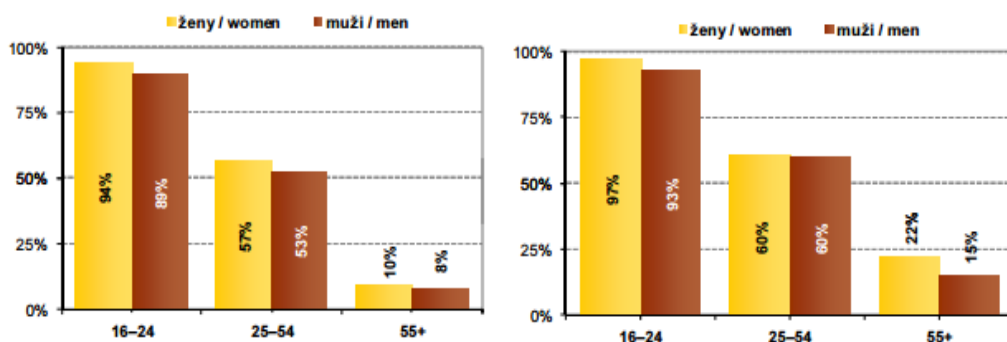


Figure 8 Men and women using social networking (left graph) and using Internet (right graph)

Source: CZSO, Information technologies, 2016

Technological factors

Technology keeps developing every year and various new devices are being invented, which can make education more interesting and easier not only for stu-

dents but also for teachers. In schools, teachers do not have use only normal blackboards but also interactive smartboards. One of the advantages of interactive smartboards is that they allow teachers to add pictures, graphs and tables to their notes, which can help students to better remember the topic. They also allow notes to be printed and then distributed among students so they do not have to make their own notes and can rather concentrate more on the teacher and topic. Teachers can also use computers, projectors, and films for education (O7).

Virtual reality is another possible technology that can make education more interesting for students and allows them to participate at their education during the classes. It allows students to be part of the new topic and not only to talk about it (O8).

Even though there are lots of new technologies that can help students learn, it is necessary to mention that in some cases, students might have more skills and experience with the new devices than their teachers. Teachers might not meet with these new devices as often as children and that is why they need to be also taught how to properly work with them (T4).

Environmental factors

Environmental factors do not have big impact on the schools because they are not some factories. Schools are trying to educate students to be interested in environment and nature. They are using special batteries to save energy or recycling.

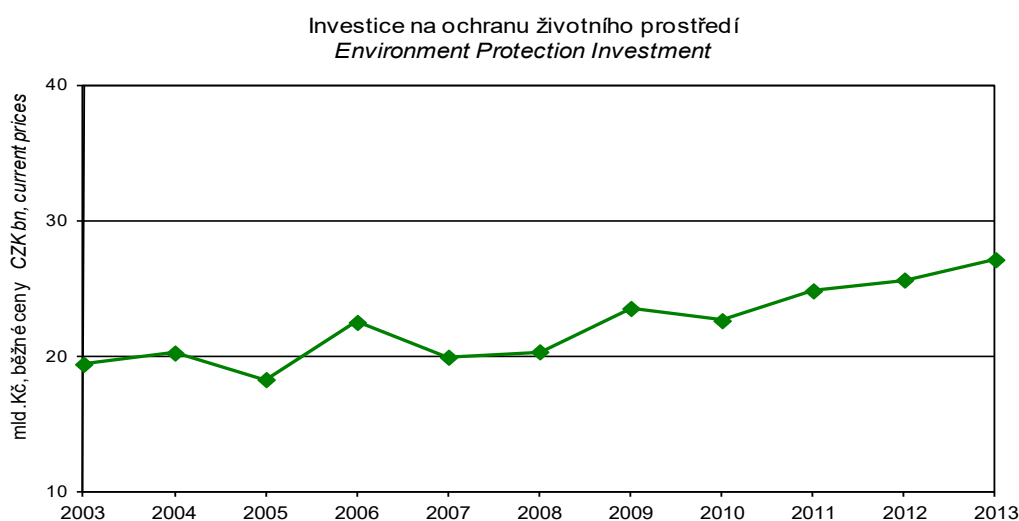


Figure 9 Investment for environment protection
Source: CZSO, Graf Investice na ochranu životního prostředí, 2017

Because of the problems with climate change, caring about nature has become a new trend and as it is shown in Figure 9, investment into protection of environment has been increasing since year 2010. Therefore, this new interest can be used as an advantage for schools to use it in their marketing (O9).

5.2.2 Analysis of Microenvironment

Bargaining power of buyers

Main and the most important customers of a private school are students and their parents. Because of that it is important to know the trend of whether the number of students is decreasing or increasing. The total number of students at secondary schools in school year 2014/2015 was only 61189 and year before it was 62309.

Tab. 4 Number of students at secondary schools

School year	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Number of students	73 622	70 583	67213	64 389	62 309	61 189

Source: CZSO, Školství v Praze 1996-2014, 2017

As can be seen in Table 4 above, the number of students is decreasing every year, which consequently means that number of customers for grammar schools is lower every school year. That is why bargaining power of customers is increasing every year (T5).

On the other hand, there are also students who are now attending elementary schools. Those students are future customers because after finishing the elementary school, they will search for a secondary in the next years.

Tab. 5 Number of students at elementary schools

School year	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Number of students	73 400	74 151	76 189	79 310	83 241	88 184

Source: CZSO, Školství v Praze 1996-2014, 2017

According to Table 5, number of students visiting elementary schools has been rapidly increasing since the school year 2009/2010. This increase is taken as an advantage and can be used for marketing when grammar schools will try to target elementary schools students more than they used to (O10).

Threat of new entrants

Number of grammar schools in Prague in the school year 2014/2015 was 69 and this has not changed over last 3 school years. The highest number was in year 2009/2010 when there were 72 grammar schools in Prague, which decreased to 68 the year after (CZSO, Školství v Praze 1996-2014, 2017). This market is hard to enter and that is why number of schools is not increasing and that can consequently decrease threat of new entrants (O11).

Threat of substitute product or service

As a substitute of grammar schools, students could choose to attend vocational schools, which are also more popular than grammar schools. Number of students at vocational schools in year 2014/2015 was 37875 which is 14561 students more than at grammar schools. In Prague, there were situated 131 vocational schools in the school year 2012/2013 (T6) (CZSO, Školství v Praze 1996-2014, 2017).

Bargaining power of suppliers

There are not many suppliers that grammar schools would be too much dependent on. They do not have any suppliers responsible for delivering or manufacturing goods like other companies. The only supplier, which schools are dependent on, is the provider who rents them the building where the schools are situated. If the owner of the building decides to rent them smaller part of building, it could create lots of problems because consequently the grammar school would not have enough space for all classes it needs (T7).

It is also possible to include teachers among the suppliers as they are a necessary part of the school, so it could function properly. Position of a teacher at a secondary school does not belong among the most desired and trendy job positions. This can be said based on the statistics that the number of teachers educating at secondary schools is yearly decreasing as is shown in Table 6 below (T8).

Tab. 6 Number of teachers at secondary schools

School year	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Number of teachers	6 071	6 000	5 918	5 776	5 654	5 868

Source: CZSO, Školství v Praze 1996-2014, 2017

Rivalry amongst existing firms in the industry

Competition amongst schools is quite high. There are lots of possibilities parents can choose from for their children. There is an option between private and public schools. The big advantage of public schools is that they do not have school fees (T9).

Amongst one of the main competitors from public schools is Gymnázium Jana Keplera. Students of this grammar school have the best results and the building is also nicely restored but they are still using the traditional frontal instruction type of education as all other public schools. Even though there are lots of schools in Prague, public schools are not trying to innovate or bring something new or interesting for students (O12).

Amongst other rivals can be also included The English International School in Prague. This school does not have to follow laws and legislation like Czech schools because it is international and does not receive any donation from the Czech Re-

public. It does not use the typical type of education for Czech, which helps it to differentiate (T10). In each class, there is a lower number of students and they can even have individual classes. In Prague, there are more schools like The English International School but they all cost parents around 500 000CZK for one school year, so only a few parents can afford it (O13).

5.2.3 Defining Opportunities and Threats

Opportunities

- O1 – Framework Education Program allows schools to educate students in more ways
- O2 – Unemployment rate is low
- O3 – Average wage is growing
- O4 – Low inflation rate
- O5 – Number of citizens is increasing every year
- O6 – A huge usage of social media and Internet can be used for marketing
- O7 – Interactive smartboards, films, computers can be used in classes and make education more interesting
- O8 – Usage of virtual reality to explain more complex topics
- O9 – More interest in environment
- O10 – Number of students in elementary schools is increasing
- O11 – Hard to enter this market, number of schools is stable
- O12 – Traditional frontal instruction education at public schools
- O13 – International schools are too expensive

Threats

- T1 – Mandatory graduation exam from mathematics at grammar schools
- T2 – Requirement for teachers to have pedagogy education and for headmaster to have been teacher for at least 5 year
- T3 – Vocational schools are more popular in the Czech Republic
- T4 – Teachers might need to be educated how to use new technology
- T5 – Number of students at secondary schools is decreasing
- T6 – A huge difference between number of students at grammar and vocational schools
- T7 – Dependence on the lender of the space for the school
- T8 – Number of teachers at secondary schools is decreasing
- T9 – Public schools do not have school fees
- T10 – More quality education at international schools

5.2.4 Situational Analysis of External Environment

For situational analysis, the External Factor Evaluation Matrix is used as can be seen in Table 7, in which threats and opportunities arising from macro and micro environment are evaluated.

Tab. 7 External Factor Evaluation Matrix

Num.	Factor	Weight	Rating	Weighted score
Opportunities				
O1	Framework Education Program	0.03	3	0.09
O2	Unemployment rate is low	0.05	2	0.10
O3	Average wage is growing	0.05	2	0.10
O4	Low inflation rate	0.01	1	0.01
O5	Number of citizens is increasing every year	0.02	3	0.06
O6	A huge usage of social media and Internet	0.06	4	0.24
O7	Interactive smartboards, films, computers can be used in classes	0.02	3	0.06
O8	Usage of virtual reality to explain more complex topics	0.02	1	0.02
O9	More interest in environment	0.01	1	0.01
O10	Number of students in elementary schools is increasing	0.06	2	0.12
O11	Number of schools is stable	0.04	4	0.16
O12	Traditional frontal instruction education at public schools	0.06	4	0.24
O13	International schools are too expensive	0.07	3	0.21
Threats				
T1	Mandatory graduation exam from mathematics on grammar schools	0.03	2	0.06
T2	Requirement for teachers to have pedagogy education and for headmasters to have been teacher for at least 5 years	0.04	3	0.12
T3	Vocational schools are more popular in the Czech Republic	0.03	2	0.06
T4	Teachers might need to be educated how to use new technology	0.06	3	0.18
T5	Number of students at secondary schools is decreasing	0.05	3	0.15
T6	A huge difference between number of students at grammar and vocational schools	0.03	2	0.06
T7	Dependence on the lender of the space for the school	0.06	2	0.12
T8	Number of teachers at secondary schools is decreasing	0.05	4	0.20
T9	Public schools do not have school fees	0.08	2	0.16

T10	More quality education at international schools	0.07	2	0.14
Σ		1.00		2.67

Sensitivity of Pražské humanitní gymnásium at external environment is quite high because of the final total weighted score which is 2.67. Between the most influential opportunities belong a huge usage of social media and Internet, traditional frontal instruction education at public schools and international schools are too expensive. Among the most important threats belong that teachers might need to be educated how to use new technology, more quality education at international schools, and public schools do not have school fees.

5.3 Analysis of Internal Environment

5.3.1 Principle of Key Factors

Human resources

The grammar school Pražské humanitní gymnásium employs 16 people. The employees are 1 headmaster, 1 associate head of school who is working as a teacher at the school, and 14 other teachers. All of the employees are enough qualified in their work of a teacher (S1). On the other hand, the school needs to on regular basis make workshops for teachers and teach them how to use project learning during their lessons (W1). However, few teachers do not totally agree with the vision of investors and think that they should educate students in the traditional way (W2). The teachers also need to prepare more for the lessons because they have to design topics that students can use to make projects (W3). The investors from J&K prefer that the students do not have homework and learn everything at school. On the other hand, this is not always possible because students work on projects at home, not at school, and some teachers do not agree with this (W4)

Pražské humanitní gymnásium would not have a big problem to find new teachers if it was necessary because it is receiving every week CVs from other teachers who would like to work there (S2). The grammar school is interesting for them because it is trying to change the traditional education in the Czech Republic and in addition, it also increased teachers' salaries, which makes the teachers current working there satisfied (S3). Teachers employed at Pražské humanitní gymnásium earn around 27000CZK per month.

Research and development (operations)

Pražské humanitní gymnásium has two admission rounds. The first round is mainly for students who chose it to be their first choice of school. The second round is aimed for students who were not admitted to the school they wanted at first. This way, Pražské humanitní gymnásium can reach more students (S4).

The school also organizes open house once a month, so that the parents who are considering sending their children to this school could get a chance to see the

classes and speak with the headmaster (S5). This way, they can learn more about how it works at Pražské humanitní gymnasium. In February 2017, while the students were applying for high schools, the school was visited by around 20 families who came to look at the school.

Applications for admittance are processed by the headmaster who also needs to take care of admissions rounds and parents who come to visit the school. As the result, the headmaster does not have enough time to watch whether the teachers are making use of the new way of educating, as is required by the investors (W5). Consequently, one new employee should be admitted for this job.

The lessons take place in a newly reconstructed space. Walls are painted with pictures of famous people like Steve Jobs or Albert Einstein together with their famous quotes next to them, which are meant to motivate the students (S6). In the halls, there are couches where the students can relax during the breaks. This reconstruction cost investors ca. 1 million CZK. On the other hand, there was not enough space and finances to set up a room as a chemistry and physics laboratory, which received complaints from some parents (W6).

Teachers and investor are discussing how to use the project education during the year as this education style is the main reason why students choose this school (S7). The school also makes lectures, where people from politics or business come for a visit, which should help the students to see what they can do in the future (S8).

The school offers language lessons in Czech, English, Russian, and German. According to Eurostat, 94,1% of students at secondary schools learn English, 23% French, 19,1 % Spanish, and 18,9% German (Eurostat, Secondary education, 2016). As a disadvantage, Pražské humanitní gymnasium can lose possible customers because it does not offer popular languages such as French or Spanish, but Russian instead (W7).

The new website has been developed where it is easy to find all important information about the school such as admission, fees, and style of education (S9). On the other hand, intensive promotion needs to take place (W8) so that new potential customers could find this website as the name of the school has been recently changed to Pražské humanitní gymnasium. Also the number of students had been mainly decreasing every school year until there was only 81 students in 2015/2016, which can be seen in Table 8, even though the school's capacity is for 325 students (W9).

Tab. 8 Number of students of Pražské humanitní gymnasium

School year	2009/10	2012/13	2013/14	2014/15	2015/16	2016/17
Number of students	159	135	75	87	81	110

Source: Annual financial report of Pražské humanitní gymnasium

Marketing

Marketing is very important for Pražské humanitní gymnasium in order to reach potentially interested parents. Marketing is done by employees of the investors' company J&K Consulting. J&K has four employees focused only on marketing (S10). They are mainly focusing on online marketing. They use advertising based on keywords on Google and target their interest group of potential students and parents on Facebook. Furthermore, they also use remarketing, so if potential customers spend longer time on their website, J&K employees continue targeting them. Overall, their online marketing is strong (S11) but they are not using offline marketing as there is not enough finances for that (W10).

In the school year 2016/2017, J&K spent 10500 CZK on advertising through Facebook and 17500 CZK on Pay per Click which means that the company pays for each click on their advertisement that is propagated by search engines such as Google.

The investors are also able to follow statistics of how many people visit their website, whether the visitors get there through advertisement on Facebook or Google, how much time they spend on website, and other information about them (S12). In January 2017, 2623 unique people visited the website of Pražské humanitní gymnasium, displayed 16247 pages, and one person spent on average 3 minutes and 17 seconds browsing the website.

Tab. 9 Number of visitors of website of Pražské humanitní gymnasium

Months	November 2016	December 2016	January 2017	February 2017 (first 18 days)
Unique visitors	1402	952	2623	3184
Visitors from Prague	754	442	1461	1935

Source: Internal materials of Pražské humanitní gymnasium

As can be seen in Table 9, number of visitors in February 2017 was much higher than in other months because it is the time when applications for schools are closing. In January, there were 659 organic visitors, 689 got to the website through advertisements on Facebook, 313 via Google advertisements, and 340 visitors got there directly by typing the website into browser.



Figure 10 Advertisement picture for Pražské humanitní gymnásium
Source: Internal materials of Pražské humanitní gymnásium

In Figure 10, there is shown one of the pictures the school is using for their marketing. Their slogans aim to display that the school is trying to differentiate and that the students attending it are not scared to try something new and different.

In addition, the investors had an interview for radio Frekvence 1, where they promoted Pražské humanitní gymnásium and its special style of education. The press is interested in the fact that the investors are only 24 years old, have a successful company, and are trying to improve education in Czech Republic (S13). On the other hand, some people think that investors are too young to know what is best for children (W11).

Financial situation

Pražské humanitní gymnásium has two types of receivables. It gains money from subsidies from state and from school fees paid by the parents. Subsidies are paid for each student, which is 30000 CZK for one school year, and school fee is 35000 CZK for a 4-year grammar school and 37000 CZK for an 8-year grammar school (S14). This receivables created revenue of 5 900 000 CZK for year 2016/2017.

On the other hand, the grammar school has to also take care of its payables. The biggest expenses are salary expenses, which would be 4 800 000 CZK for this school year. The other expenses would be 800 000 CZK for rent and energy. The total payables for school year 2016/2017 would then be 6 100 000 CZK, which means that they are higher than the incomes of Pražské humanitní gymnásium (W12). This deficit is caused by the headmaster increasing the salaries for teachers. She did not discuss this change with the investors and did not think about the finances from a manager's or accountant's point of view but from a teacher's point of view (W13).

In the previous school year of 2015/2016, the school had a profit of 224 749 CZK, as is shown in Table 10.

Tab. 10 Annual financial report of 2015/2016

Total receivables	4 802 624 CZK
Subsidies	2 930 640 CZK
Other receivables	4 132 CZK
School fees	1 818 712 CZK
Charges from school events	49 150 CZK
Total payables	4 577 875 CZK
Labor costs	2 189 408 CZK
Insurance premiums	595 727 CZK
Rent	342 025 CZK
Energy costs	284 711 CZK
External education of languages	69 300 CZK
Economic services	74 080 CZK
Scholarships	12 200 CZK
Consumption of material	141 520 CZK
Taxes, charges and other costs	465 729 CZK
Events of school	62 516 CZK
Operations for running of school	340 659 CZK
Financial result	224 749 CZK

Source: Annual financial report of Pražské humanitní gymnasium

Organizational level and image of the organization

In the organizational structure of the school, there is the head of school, which is the headmaster, followed by the associate head and then there is the rest of the 14 teachers, who have all the same position. However, the investors own 75% of the school, so the headmaster follows their requests and visions. The investors are situated in Brno and travel to Prague once per week, which is sometimes not enough to meet with the headmaster and the teachers, and gain all necessary information on whether they follow their rules properly (W14).

5.3.2 Defining Strengths and Weaknesses

Strengths

- S1 – Qualified teachers
- S2 – CVs from new teachers received often
- S3 – Teachers have higher salary so they are satisfied
- S4 – Two admissions rounds
- S5 – Open house once per month
- S6 – Lessons are in a newly reconstructed space.
- S7 – Different style of education
- S8 – Lectures from publicly known people
- S9 – New website with easy orientation
- S10 – Specialists working on marketing
- S11 – Strong online marketing

- S12 – Statistics about visitors of the website
- S13 – Press is interested in the investors
- S14 – Income from subsidies and school fees

Weaknesses

- W1 – Workshops necessary for teachers to know how to use the project education
- W2 – Some teacher do not agree with new style of education
- W3 – Teachers need to prepare more for lessons
- W4 – Some teachers prefer homework
- W5 – A new employee for supervising teachers needed
- W6 – The school does not have a laboratory
- W7 – The school does not offer French or Spanish
- W8 – Intensive promotion needed as school changed its name
- W9 – Number of students decreasing
- W10 – Do not use offline marketing
- W11 – Some people think that the investors are too young
- W12 – Payables are higher than receivables in school year 2016/2017
- W13 – Headmaster does not have knowledge of financing
- W14 – Investors live in Brno not Prague

5.3.3 Situational Analysis of Internal Environment

Internal Factor Evaluation Matrix is used for situational analysis of internal environment as can be seen in Table 11. In this matrix, the weaknesses and strengths of Pražské humanitní gymnasium are evaluated.

Tab. 11 Internal Factor Evaluation Matrix

Num.	Factor	Weight	Rating	Weighted score
Strengths				
S1	Qualified teachers	0.02	3	0.06
S2	CVs from new teachers received often	0.03	3	0.09
S3	Teachers have higher salary so they are satisfied	0.03	3	0.09
S4	Two admissions rounds	0.02	3	0.06
S5	Open house once per month	0.03	4	0.12
S6	Lessons are in a newly reconstructed space	0.05	4	0.20

S7	Different style of education	0.06	4	0.24
S8	Lectures from publicly known people	0.04	3	0.12
S9	New website with easy orientation	0.02	3	0.06
S10	Specialists working on marketing	0.04	4	0.16
S11	Strong online marketing	0.07	4	0.28
S12	Statistics about visitors of the website	0.03	4	0.12
S13	Press is interested in the investors	0.06	4	0.24
S14	Income from subsidies and school fees	0.03	3	0.09
Weaknesses				
W1	Workshops necessary for teachers to know how to use the project education	0.03	1	0.03
W2	Some teachers do not agree with the new style of education	0.05	1	0.05
W3	Teachers need to prepare more for lessons	0.03	2	0.06
W4	Some teachers prefer homework	0.01	2	0.02
W5	A new employee for supervising teachers needed	0.03	2	0.06
W6	The school does not have a laboratory	0.04	2	0.08
W7	The school does not offer French or Spanish	0.04	2	0.08
W7	Intensive promotion needed as school changed its name	0.03	2	0.06
W8	Number of students decreasing	0.06	1	0.06
W9	Do not use offline marketing	0.03	2	0.06
W10	Some people think that the investors are too young	0.02	2	0.04
W11	Payables are higher than receivables in school year 2016/2017	0.05	1	0.05
W12	Headmaster does not have knowledge of financing	0.03	2	0.06
W13	Investors live in Brno not Prague	0.02	2	0.04
Σ		1.00		2.68

The result of IFE Matrix is 2.68 which mean that the internal business is quite strong. Amongst the strongest strengths belong strong online marketing, press is interested in the investors, different style of education, and lessons are in a newly reconstructed space. The grammar school has also some strong weakness such as some teachers do not agree with the new style of education, number of students decreasing, and payables are higher than receivables in school year 2016/2017.

5.4 SWOT Analysis

For the evaluation factors, IFE and EFE Matrix are used. The most important factors are used in the SWOT analysis below to create strategies. The four strategies created are also explained in the section.

Tab. 12 SWOT Analysis

	Strengths (S) S6 S7 S11 S13	Weaknesses (W) W1 W2 W8 W11
Opportunities (O) O6 O11 O12 O13	Strategy SO S11+O6 Increase usage of online marketing	Strategy WO W11+W8+O12 Present the school at Schola Pragendis
Threats (T) T4 T8 T9 T10	Strategy ST S13+T9 Promote school in TV shows and newspapers	Strategy WT W1+T4 Organize one big workshop each year

5.4.1 Increasing Usage of Online Marketing (SO)

- S11 – Strong online marketing
- O6 – A huge usage of social media and Internet

Pražské humanitní gymnásium has a strong online marketing due to employing professionals in marketing. In addition, Internet and social media are not only popularly used by students but also by parents as it was shown in PESTE. This allows for creating a strategy based on online communication with the customers. The school should invest more into online marketing which would mainly target students from age 11-16 and their parents in ages 35-40 that are from Prague. The advantage is that the investors would have access to statistics of how many people visited their website due to this strategy. They should also create videos from the environment of the school where the potential customers could see how students are satisfied and how project education is used during the lessons. Those videos would be also propagated on Facebook, thus targeting potential customers.

5.4.2 Present the School at Schola Pragendis (WO)

- W8 – Number of students decreasing
- O12 – Traditional frontal instruction education at public schools
- W11 – Payables are higher than receivables in school year 2016/2017

Schola Pragendis is a fair of secondary schools in Prague. 155 high schools present themselves there and are trying to catch interest of new parents and students. Pražské humanitní gymnasium should also take part in this fair, where they would have a chance to explain the project education to the parents and show how they differ from other schools. If they are successful, their number of the students for the next year could increase, which would also increase the profit, so the payables would not be higher anymore.

5.4.3 Promote the School in TV Shows and Newspapers (ST)

- S13 – Press is interested in the investors
- T9 – Public schools do not have school fees

It is a big advantage for public schools that they do not have school fees. On the other hand, parents in Prague can afford to pay for a high school, and there are many international schools in Prague for which parents pay 500000CZK each year. Press can help to bring interest of those parents to Pražské humanitní gymnasium. Investors from J&K Consulting have a contact person who is arranging those interviews in Všechnpárty or DVTV, and they are also interesting for press, which is asking them for interviews or opinions about education. Forbes, Hospodářské noviny or Euro.cz have contacted them last year. The investors can therefore use this opportunity to mention Pražské humanitní gymnasium and explain why it is worth to pay for it.

5.4.4 Organize One Big Workshop Each Year (WT)

- W1 – Workshops necessary for teachers to know how to use the project education
- T4 – Teachers might need to be educated in how to use new technology

Many teachers still do not know how to properly use the project education so that the investors would be satisfied. Some of the teachers do not even agree with this type of education and prefer traditional frontal instruction education as it is easier for them. The investors want to make sure that teachers follow their instructions. They could therefore organize one big workshop at the beginning of each school year. During this workshop, the investors would present their vision and teachers could try to come with new ideas for how to use the project education during lessons. At the end of this workshop, teachers would present their ideas to the investors. This would be the first part of the workshop. In the second part, usage of new technology would be explained to teachers.

5.5 Strategy for Realization

The final strategy for realization is chosen as one of the strategies created from the SWOT analysis. Based on discussion with the investors of the school, the final strategy for the school is **Present the School at Schola Pragendis**, which was created by minimizing weakness and maximizing opportunity.

The main aim is to increase the number of students studying at Pražské humanitní gymnasium, which would consequently increase receivables. The school gains a subsidy of 30000 CZK from one student and a school fee of 35000 CZK for 4 year grammar school and 37000 CZK for 8 year grammar school. In total, it is 65000 or 67000 CZK for one student. In addition, payables of school do not change because more students would not change the number of teachers or the price of rent.

There are only two fairs of high schools and universities in Prague which are Gaudeamus and Schola Pragensis. Gaudemaus is more focused on universities, so the students who come here are often not interested in a high school. On the other hand, Schola Pragensis is more focused on secondary schools, which makes it a perfect opportunity for the school to gain new customers.

The requirements for attending Scholar Pragensis:

- The attending school cannot announce advertisements loudly
- Advertising flyers can be distributed to customers only next to school's kiosk
- Kiosk of the school cannot exceed its given position on the exhibition plan
- The representatives of the school cannot turn on videos or make any loud presentations (Schola Pragensis, Pokyny a podmínky účasti výstavy konané ve dnech 24. – 26. 11. 2016 v Kongresovém centru Praha, 2016)

Expenses of the fair for the school are including advertising material, parking and rent of the kiosk. The school can choose if it wants to invest more or less to the fair. That is why there are calculated two offers, one cheaper with a smaller kiosk and one more expensive with a bigger kiosk and Wi-Fi.

Option with lower payables for the school

Tab. 13 Less expensive offer for fair

	Size/amount	Price
Rent of kiosk	9m ²	18 137.90 CZK
Parking in the fair	1 car	300 CZK
Tables and chairs	1 table and 2 chairs	302.50 CZK
Advertising flyers	500 pieces	2 500 CZK
Advertising posters	2	5 000 CZK
Total price		26 187.90 CK

Source: Internal information of Schola Pragensis

This option includes a small kiosk with which it would be harder to gain attention of parents and students. In addition, the hostesses representing Pražské humanitní gymnasium would not have t-shirts with logo of the school. The advantage is that the school would not have to pay a lot for this while it can still gain few new students.

Option with higher payables for the school

Tab. 14 More expensive offer for fair

	Size/amount	Price
Rent of kiosk	15m ²	26 184.40 CZK
Parking in the fair	1 car	300 CZK
Wi-Fi	10 users	701.80 CZK
Tables and chairs	2 tables and 4 chairs	605 CZK
Advertising flyers	1 000 pieces	5 000 CZK
Advertising posters	4	10 000 CZK
T-shirts with logo of the school	4	1 000 CZK
Total price		43 791.20 CZK

Source: Internal information of Schola Pragensis

The total cost of the fair would be almost double of the lower payables offer but the kiosk is bigger and it should look more respectful. In addition, if the school would catch interest of at least one student, it would be enough to return expenses of the fair.

Pražské humanitní gymnasium could present videos and photos of the classes and reconstructed space. They could also explain project education and tell how it is different from other secondary schools which are using traditional frontal instruction. There are optimistic and pessimistic options of the result in profit gained by applying this strategy.

Optimistic option

This option is counting that the investors are able to reach and interest higher number of students and that the school would not have a graduation class in the school year 2017/2018, so no students would be leaving.

Tab. 15 Optimistic number of students and receivables for school year 2018/2019

	Number of students	Receivable from one student	Total receivables
Students at 4 year grammar school	50	65 000 CZK	3 250 000 CZK
Students at 8 year grammar school	90	67 000 CZK	6 030 000 CZK
Total	140		9 280 000 CZK

In Table 15, it can be seen that Pražské humanitní gymnasium would have receivables 9 280 000CZK if 150 students would enroll for the school year. It is increase by 20 students from the school year 2017/2018.

Pessimistic option

Tab. 16 Pessimistic number of students and receivables for school year 2018/2019

	Number of students	Receivable from one student	Total receivables
Students at 4 year grammar school	35	65 000 CZK	2 275 000 CZK
Students at 8 year grammar school	85	67 000 CZK	5 695 000 CZK
Total	120		7 970 000 CZK

Even with the pessimistic result, the school would have a big profit from school year 2018/2019. The profit should be 1 826 208.80 CZK if the expenses would increase only by the payables from the fair counting with the more expensive option for 43 791.20 CZK. It counts with 120 students, which is estimated from the number of students enrolling for the school year 2017/2018 and that in that school year no students should graduate.

6 Discussion

At the beginning of the part results in bachelor thesis, evaluation of external and internal environment by EFE and IFE Matrix was done. Through these analyses, the most significant factors were chosen, which were later used in SWOT analysis. From the SWOT analysis, 4 strategies were created.

The result of the IFE Matrix was that among the biggest strengths belong that the school has strong online marketing. It is due to employing professionals who know how to effectively target potential customers and have access to statistics about number of people that were reached and interested by their advertisement. The other strength is interest of press in the investors which is a usable way of advertising where investors can describe all advantages of education in the school.

Among strong weaknesses of the school belongs that payables of the school are higher than receivables in the school year 2016/2017. This is consequence that the investors changed the frontal instruction education for project learning education and teachers wanted from the headmaster hire salary as it requests more preparation for lessons. Increase of salary was not best solution but all next financial decisions would be done by the investors from now and not by headmaster so this want happened again.

By the EFE Matrix were found main opportunities and threats. One of the most important opportunities belong that high schools have traditional frontal instruction education. This allows the school to differentiate and bring something interesting for parents and students. On the other hand, some parents can prefer traditional style of education and choose different school for their children.

One of the most important threats is that the public schools do not have fees. Some parents cannot offer to pay each year school fees even when the school is located in the Prague. The advantage is that the fee of the school is not so high in comparison to other private or international schools.

The final strategy was chosen based on communication with the head of Pražské humanitní gymnasium. This strategy is that the school would participate at Schola Pragensis, which is the biggest fair of high schools organized in Prague. The strategy takes into account two options of costs that would arise with its establishing. A more expensive and a less expensive option are presented and the school can choose one of them. It depends on how much they want to invest into the fair.

The advantage of this strategy is that even if the school would choose the most expensive option, where they would have a bigger kiosk, the costs should return with only one new student. That is why it is reasonable to invest more to a more visible kiosk, so that there is bigger chance that it would catch interest of more new students.

The biggest disadvantage of this strategy is that it can be processed only in November 2017 so consequently it should increase number of students enrolling in 2018 and who would start studying at the school in the school year 2018/2019. This way, the school would have to wait for the income gained by the fair which

would show first in the school year 2018/2019 and not already in the next year 2017/2018.

The other advantage of the strategy is that it is quite easy to progress. The school has to apply to the Schola Pragensis and in the application it can also rent a kiosk, tables and chairs from the organizers of the fair and they would also build it on the day of the fair. Therefore, the only responsibility of Pražské humanitní gymnasium is to prepare its marketing material. They need to print flyers, posters and make company T-shirts with the logo of the school. As the representatives of the school would come the investors or headmaster and also some students should attend this fair so the school does not have to pay hostesses.

On the other hand, there is also a threat that the chosen representatives of the school would not have a good influence on the students and parents visiting the fair. That is why the representatives have to be chosen carefully, for example the head of the school or the investor Ondrej Kania who is visible in newspapers and TV shows. Students who would be attending the fair should look nice and be satisfied with the school, so they can convince visiting parents and students to choose the study at Pražské humanitní gymnasium.

In summary, the final strategy is easy to make and the costs would be low in comparison with possible income but returned in the school year 2018/2019.

7 Conclusion

The topic of this bachelor thesis is a proposal of the strategy for a private grammar school in Prague named Pražské humanitní gymnasium. The aim of the thesis is to create strategy that would increase the number of students attending the school and consequently make the school a profitable organization.

At the beginning of the thesis, PESTE analysis was done to identify factors of macro environment and for the micro environment, Porter's five forces were used. For the analysis of an internal environment, Principle of key factors was used.

These factors rising from an internal and external environment were evaluated using EFE Matrix for the external and IFE Matrix for the internal factors. The result of the EFE was that the school is quite sensitive to changes in the external environment. Among the biggest threats belongs that the public schools do not have school fees or that the teachers might need to be educated in how to use new technology. EFE also showed the most important opportunities such as huge usage of social media and Internet, and use of traditional frontal instruction education at public schools.

On the other hand internal business and current strategy of the school are quite strong, which was the result from IFE. IFE showed that the strengths of the school are its usage of online marketing or that press is interested in the investors. The school should work on weaknesses such as that some teachers do not agree with the new style of education and that payables are higher than receivables in school year 2016/2017.

The most important factors were then used in the SWOT analysis, from which four strategies were created. One strategy was chosen based on communication with the investor of the school. This strategy was that the school would attend the fair Schola Pragensis the next school year 2017/2018 in November. It was evaluated from the economic point of view which has shown that the strategy would make the school more known among the parents and potential students. It would allow the school to promote their special type of education – project based learning. The realization of the strategy is not very expensive because if it gains at least one new student to the school it would pay for the costs of the fair and even bring a small profit.

The aim of this strategy is to create a stable position of the Pražské humanitní gymnasium on the market and increase its profit.

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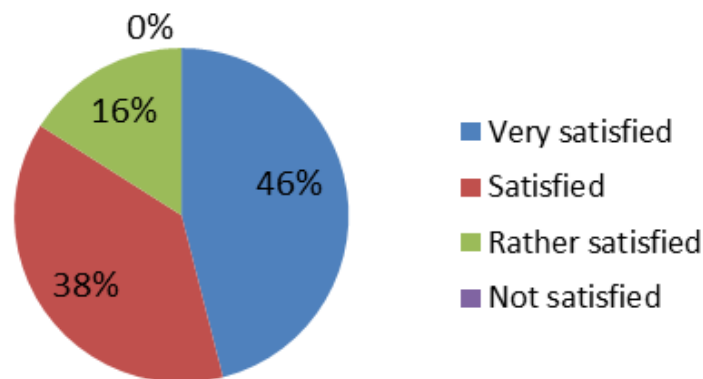
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Appendix

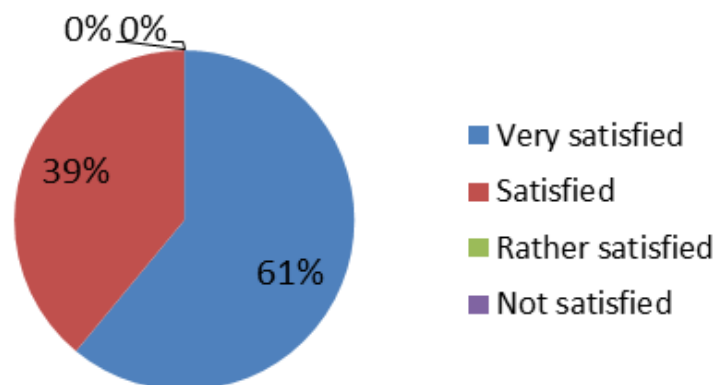
A Result from the Questionnaire – Parents of Pražské Humanitní Gymnasium

Number of respondents: 26

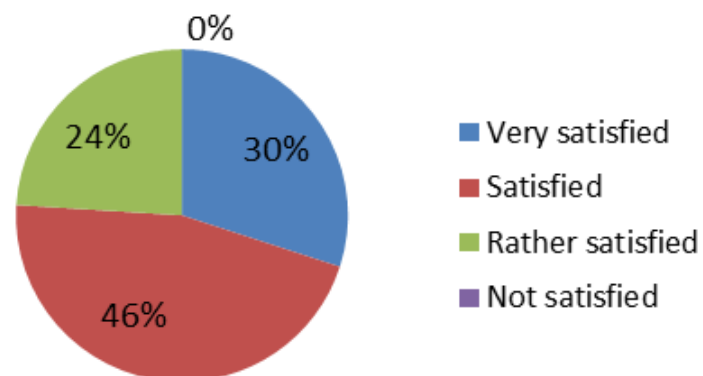
1. How are you satisfied with Pražské Humanitní Gymnasium?



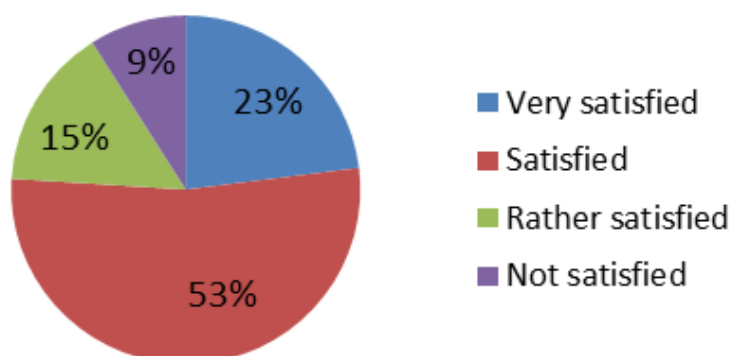
2. How is your child satisfied with Pražské Humanitní Gymnasium?



3. How are you satisfied with education at Pražské humanitní gymnasium?



4. How are you satisfied with difficulty of the classes?



5. What could be improved at the school?

This question was optional and answers from 8 parents were received.

1. Laboratory for chemistry and physics is missing.
2. I would welcome if lessons would start later at 8:30 or 9:00.
3. Difficulty of classes should be higher.
4. I would improve nothing.
5. Use more project education in subjects like mathematics if it is possible.
6. Students should be also allowed to use the printers at school so when they are ill, they can later copy the material at the school.
7. I think that children have few homework and should work also independently.
8. We are absolutely satisfied compared to old Eko Gymnasium.

6. Would you like to say something else about Pražské humanitní gymnasium? What are you satisfied or not satisfied with?

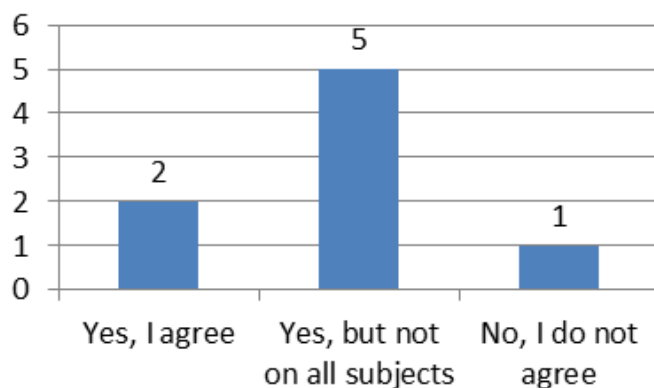
This question was optional and answers from 4 parents were received.

1. Laboratory for chemistry and physics is missing.
2. I am glad that my daughter attends school happy and is not stressed.
3. I am satisfied with majority of teachers.
4. I would welcome possibility of buying food or drinks at school.

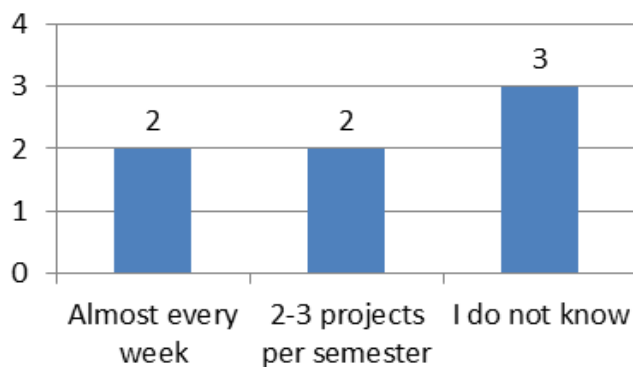
B Results from the Questionnaire – Teachers of Pražské Humanitní Gymnasium

Number of respondents: 7

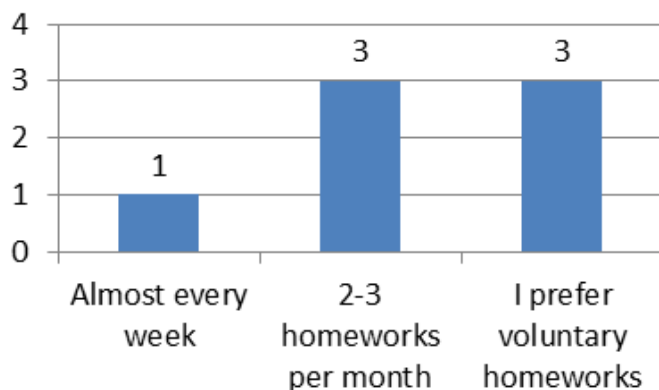
1. Do you agree with project education as a primary type of education at Pražské humanitní gymnasium?



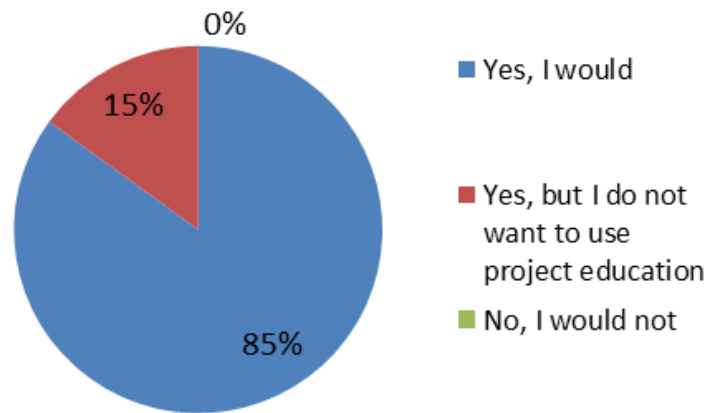
2. How often do you use project education at lessons?



3. How often do you give homework to students?



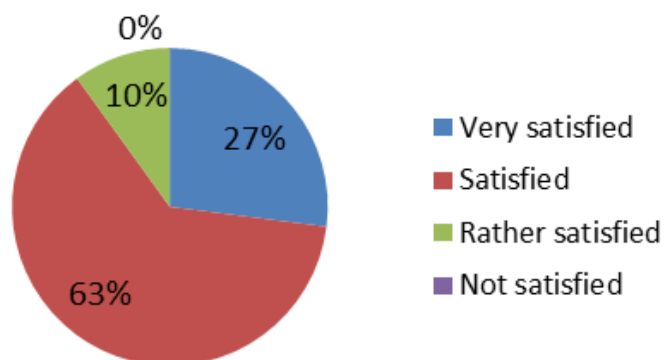
4. Would you like to work at Pražské humanitní gymnasium next school year even though project education will be required?



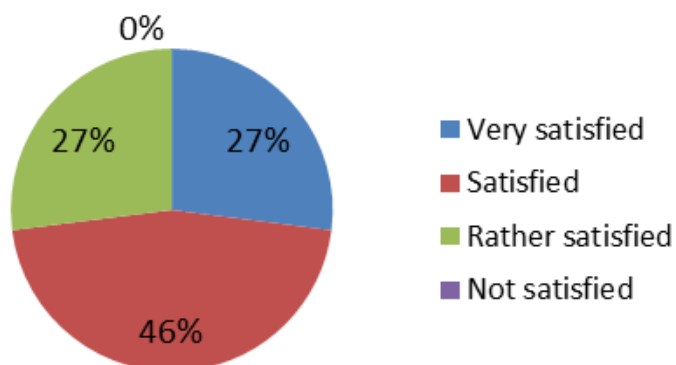
C Results from the Questionnaire – Students of Pražské Humanitní Gymnasium

Number of respondents: 22

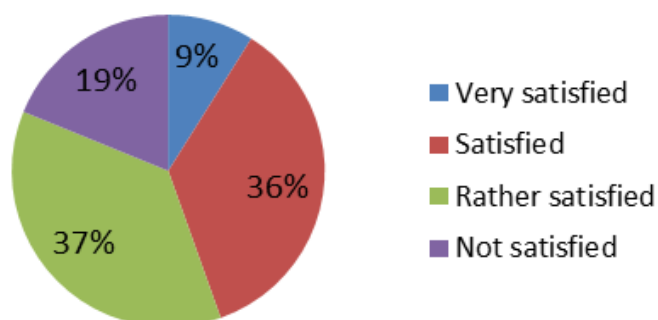
1. How are you satisfied with education at Pražské humanitní gymnasium?



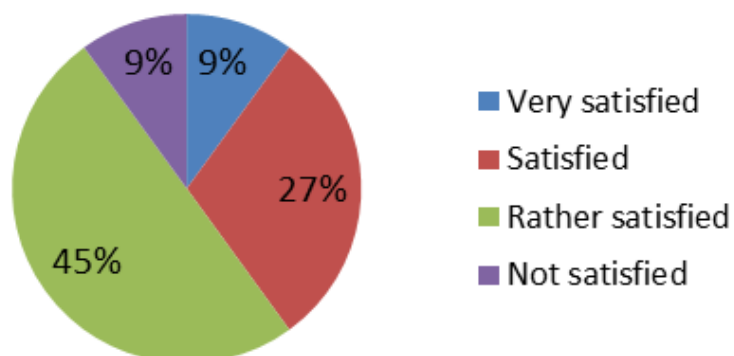
2. How are you satisfied with education of the teachers?



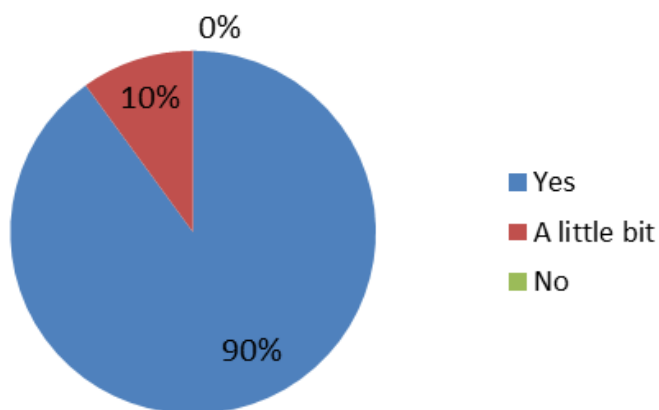
3. How are you satisfied with difficulty of the classes?



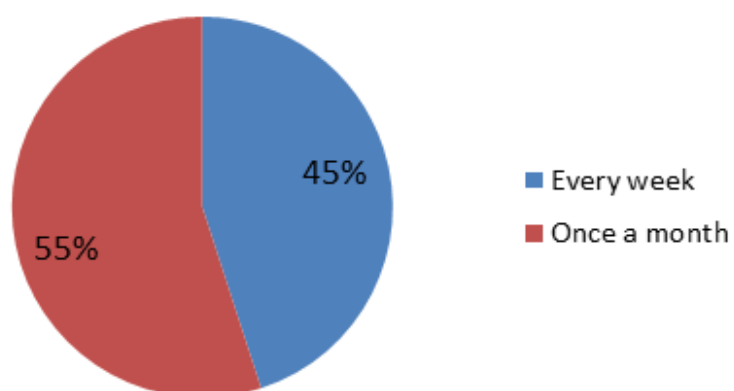
4. How are you satisfied with the space of Pražské humanitní gymnasium?



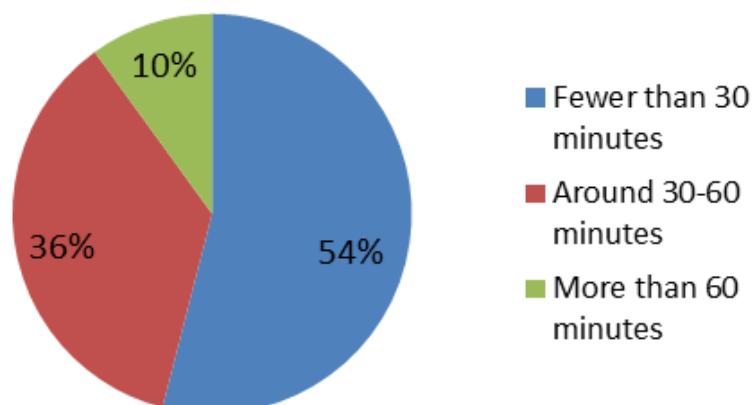
5. Was project education sufficiently explained to you?



6. How often do you meet with project education during classes?



7. How much time are you required to spend on your homework every day?



8. Would you like to say something else about Pražské humanitní gymnasium? What are you satisfied or not satisfied with?

This question was optional and answers from 6 students were received.

1. I am satisfied with the school but I miss communication with investors.
2. I am satisfied with lectures from famous people and excursions.
3. I want to learn more.
4. I am satisfied with almost everything except from one teacher.
5. I miss some space for relaxation, vending machine for drinks and food, nicer restrooms.
6. I would prefer two lessons of geography per week not only one.